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ABSTRACT

As of January 1996, 20 states had enacted charter school laws. This brief summarizes the history of charter school laws and updates their current status across the country. The brief presents the findings of various charter school research projects conducted at the state and national levels. When substantive changes have been made to existing charter school laws, the laws have usually been expanded. As of July 1995, more expansive charters have produced more startup activity. Implementation is challenging because charter school organization requires a change in roles and a shift in the assumptions and operations of public education. Additionally, legislation may encounter constitutional challenges. The document includes a chart depicting key components of "expansive" or strong charter school laws in Arizona, California, Colorado, Delaware, Massachusetts, Michigan, Minnesota, New Hampshire, New Jersey, and Texas. (Contains 15 references.) (LMI)

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Charter Schools: The Reform and the Research

Morrison Institute for Public Policy — *Policy Brief, March 1996*

By Lori A. Mulholland, Senior Research Specialist

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Introduction

Charter schools have emerged as one of the most dynamic educational reform initiatives of the nineties. By January 1996, a total of 20 states had enacted charter school laws. Another 20 states considered charter school laws in 1995. Taken together, 40 states have demonstrated a clear interest in the charter idea—a surprisingly strong trend considering that the first charter school law was passed in Minnesota only five years ago.

With so much new activity, a fresh appraisal of charter schools is in order. This briefing summarizes the history of charter school laws and updates their current status across the country. Although this is not intended to be a comprehensive review, several charter school research projects are described: some that have revealed lessons learned in the implementation of charter school laws, and others, more national in scope, that were designed to systematically describe existing charter schools and document their impacts.

Charter School History

The people who first developed and promoted the charter school concept (*i.e.*, Ray Budde, Al Shanker, Ted Kolderie, Ember Reichgott Junge and Becky Kelso) originally envisioned the ideal model of a charter school as a legally and financially autonomous *public* school (no tuition, religious affiliation, or selective student admissions) that would operate much like a private business—free from non-essential state laws and district regulations, and accountable more for student outcomes rather than for processes or inputs (such as Carnegie Units and teacher certification requirements). In the ideal situation, a charter school would also face few start-up barriers. For example, the number of schools that could be formed and the types of organizations that could form them would have few (or no) limits, more than one option would be available for gaining approval of a charter, and an appeals process would guarantee organizers recourse if their charter was denied.

These key elements of an "ideal" charter school have subsequently become the criteria upon which real charter school laws have been judged: laws *with* most of the elements have been considered "strong." Laws *without* most of the elements have been considered "weak." (Weak laws usually allow only school districts to approve, or sponsor charters, and they provide no appeals process. They do not allow charter schools to be legally or financially autonomous from a district, and they place a low limit on the number of schools that can be created. They usually do not free charter schools from most state laws or district regulations, though some permit organizers to seek waivers.)

In practice, only a few charter school laws contain most of the key elements of the ideal model. Thus, current laws are best viewed as a continuum from strong to weak. Recently, however, Indiana Education Policy Center offered a new categorization of charter school laws (Buechler, 1996) using the terms "expansive" and "restrictive" to replace "strong" and "weak." This briefing also uses these new categorization terms since they more accurately reflect the content of state laws.

States with Charter School Laws

Passing expansive charter school legislation can be an arduous task, as charter school advocates in Minnesota first discovered. Though their idea was appealing, it challenged the status quo. As a result, Minnesota's law (finally passed in 1991) was compromised due to pressure from teachers' unions and the school boards association. While this law granted legal autonomy for charter schools, only eight district-sponsored schools were permitted, and no appeals process was allowed.

In 1992, California passed a very different charter school law which allows up to 100 district-sponsored schools, and includes an appeals process. Schools are fiscally autonomous, but legal autonomy is negotiated with the sponsor. The passage of this law was no less difficult than in Minnesota, reflecting the fact that opposition has been similar in every state attempting to pass expansive bills.

Nevertheless, 1993 saw the charter school movement gain momentum as Colorado, Massachusetts, and Michigan all passed expansive laws. Restrictive versions were also passed that year in Georgia, New Mexico, and Wisconsin. The following year (1994) Arizona passed the most expansive law to date, and Hawaii and Kansas passed restrictive laws.

Eight more charter school bills became law in 1995: passing expansive laws were Delaware, New Hampshire, and Texas; while passing restrictive laws were Alaska, Wyoming, Arkansas, Louisiana, and Rhode Island. Then, in early 1996, New Jersey's governor signed an expansive bill. Other states currently have bills under consideration.

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Despite the difficulty in passing expansive laws, almost half of charter school states have managed to do so. The matrix at the conclusion of this briefing describes key elements of those laws to date. It is interesting to note that when substantive changes have been made to existing laws, they have usually *expanded* the law, regardless of its initial strength. For example, Minnesota's relatively expansive law was amended to raise the number of possible schools from eight to 40, add an appeals process, and include colleges and universities as potential sponsors; Wisconsin's restrictive law was amended to lift the cap on the number of charter schools; and Georgia's restrictive law was amended so that school conversions could occur with only a majority of teacher support rather than the two-thirds previously needed.

Charter school proponents, however, often argue that laws like Wisconsin's and Georgia's are little more than site-base management programs: they need more than a few amendments to make a significant difference. Therefore, whether states with restrictive laws actually continue to expand them will be telling. At this point, it is anticipated that legislators in California, Colorado, Georgia, Kansas, Massachusetts, and Minnesota will attempt to expand their laws in 1996.

Implementation of Laws

Charter school advocates have predicted that more expansive charter laws will produce more start-up activity. So far, this has proven to be the case. As of July 1995, the first six states with more expansive laws had approved 250 charter schools, while the first five states with more restrictive laws had approved only 18 (Bierlein & Bateman, 1995).

Advocates have also contended that expansive laws provide the only true test of the charter school concept and its potential for creating systemic change (Kolderie, 1995). They have argued that where the chartering process can occur without a school district's consent, districts will be forced to respond to consumer demand or face the prospect of losing students. And in cases where a district does choose to sponsor a charter school, the district only serves as overseer of the charter, not as direct supervisor of the educational process. Therefore, rather than focusing on methods and regulations, the district focuses only on student outcomes. What effects this new arrangement will have on students, schools, and districts makes the current research on student outcomes and systemic change eagerly anticipated.

In any event, implementation in states with expansive laws is being closely watched. States with greater charter school activity have found the implementation process to be time-consuming. Among the new responsibilities added to state boards or education departments in states with charter school laws are the development of application guidelines and procedures, the creation of an application review process, the interpretation of legal ambiguities, the development of informational and instructional materials for charter school applicants, the fielding of questions, the provision of technical assistance to districts and applicants, and the scheduling of hearings.

Some of the problems that have arisen in the first few years have given policy makers an idea of what they can expect when passing expansive laws. Implementation, in most cases, has been a challenge. It requires new roles for all players and a shift in the assumptions and operations of public education. As one would expect from an undertaking that involves new roles, a certain amount of chaos has accompanied the implementation process. Moreover, even the constitutionality of charter school laws has been challenged. In Michigan, for example, the original law was declared unconstitutional, and a new law was passed in its place. Though not substantially different in character, the new measure guarantees oversight by the State Board and includes other protections, such as an amendment requiring charter schools to comply with all state and federal laws related to separation of church and state.

So far, one school has lost its charter. EduTrain in Los Angeles, which primarily served former dropouts, had its charter revoked for financial mismanagement. Advocates view such quick action to address charter school problems as a sign that the accountability system works. Critics, however, decry the disruption to students' lives that occurs when a school suddenly closes. For example, EduTrain's students could conceivably have been absorbed into district schools, but since most had previously tried those avenues and failed, they were left without a viable option.

State Level Research

Now that laws are active in a number of states, research results are becoming available. In three of the states with the oldest charter school laws (Minnesota, California, and Colorado), studies were developed to describe the range of challenges, barriers, and benefits encountered in the chartering process. A few of these studies and their key findings are described below. (Note: Studies are denoted by ●; key findings are denoted by ▸.)

Notable Minnesota Research Projects

● Susan Urahn and Dan Stewart of the Minnesota House of Representatives' Research Department released a study in December 1994 that examined their state's charter school law. The research team surveyed school boards and parents, interviewed superintendents, visited schools, and conducted document analyses. They also examined the types of proposals offered and approved, the concerns and benefits raised by stakeholders, the outcomes specified in contracts, and the problems encountered.

Primary problem areas that the report identified for new charter schools were transportation, location and financing of facilities, special education, and relationships with the sponsoring district. The report raised a number of policy implications, many of which have been dealt with legislatively since the report was written. However, most are valid for other states with expansive laws:

- Freedom from regulation, though beneficial, can create unintended side effects. For example, questions arose over the applicability of laws regulating such things as meetings and elections.

- Accountability is not easy. While charter schools must meet student outcomes defined in their charter based on agreed-upon assessment methods, review of the contracts showed that some outcomes and assessments could be improved. Also, researchers noted that the resources needed to adequately evaluate outcomes may deter districts from sponsoring charter schools.

- Business experience is important. Lack of business acumen by charter school organizers led to some difficulties because planning placed little emphasis on day-to-day administration. Therefore, charter schools should be viewed, and treated, not only as educational enterprises but also as businesses.

- Lack of start-up funding may hinder charter schools. This lack has previously been filled by grant funding, but as more charters are approved this source is diminished.

- Absence of facilities funding may become a bigger problem. Charter schools are often housed in old school buildings rented at low cost from districts. At some point these old buildings will require major repairs. Alternative facilities are often too costly or not appropriate as schools.

- Certain transportation requirements may be counter-productive. In Minnesota, sponsoring districts must transport their resident students who are enrolled in charter schools, but the charter schools themselves could not receive transportation funding. Therefore, charter schools were forced to conform to district bus schedules, which effectively eliminated their control over the school day and calendar year.

• In 1995, the Minnesota legislature authorized and allocated $75,000 in funding for the State Board of Education to conduct a year-long evaluation of Minnesota charter schools. The Center for Applied Research and Educational Improvement at the University of Minnesota was contracted to conduct the study. Its focus will be on student achievement and the effects of charters on the educational system.

Notable California Research Projects

• A May 1994 report by Marcella Dianda and Ronald Corwin of Southwest Regional Laboratory (SWRL) was based on surveys of 33 charter schools and their sponsors after the first year of implementation. Data provided information about schools, parents, students, and the experience of becoming chartered. Researchers also proposed reasons for the law's limited use during its first year and provided recommendations for change. Some of their key findings are presented below:

- The most common reason for seeking charter status was freedom from specific state/district regulations and union contracts. Other reasons included control over curriculum and instruction, and the ability to implement specific educational changes.

- Charter schools reported superintendents to be the most supportive members of sponsoring districts, while district office personnel were the least supportive. School board support in metropolitan areas was low, while in rural areas it was high. Overall, schools that sought more autonomy from the district received the least district support.

- Freedom from state codes and regulations was beneficial, but district regulations and union contracts (negotiable elements under the law) were still obstacles.

- Schools that pushed for and obtained legal autonomy were less likely than more dependent charter schools to report good relationships with their sponsors or the teachers union. (By law, California charter schools can gain legal autonomy with consent from their sponsoring district, but in reality most schools agreed to less than total autonomy.)

- Most schools were covered by local collective bargaining, with more than one-fourth waiving certain provisions, such as those regarding teacher evaluation. Newly created schools were not as likely to bargain with districts.

- In more than half the reporting schools, parents were required to sign contracts guaranteeing their participation. The equity issue inherent in this arrangement was the subject of a paper by Henry Becker, Kathryn Nakagawa, and Ron Corwin (*Parent Involvement Contracts in California's Charter Schools: Strategy for Educational Improvement or Method of Exclusion?*) published by SWRL in April 1995.

- Charter schools serving low academic achievers were more often located in metropolitan rather than rural areas. Overall, however, metropolitan schools served a broad cross-section of students: gifted, low achievers,

low income, limited English proficient, and minority students were all drawn to charter schools.

- One-third of district respondents planned to disseminate the effective practices used in the charter schools, but whether the districts would encourage new charter schools will depend on whether they conclude the schools can improve education or dovetail with other reform efforts in the district. One-fourth of the charter schools surveyed felt that districts relaxed some policies due to their presence.

• SWRL released another report in January 1996 titled, *Freedom and Innovation in California's Charter Schools*. This study expanded the original survey to 53 charter schools and added 46 comparison district schools that students might otherwise attend. Also, another 63 charter schools out-of-state were surveyed.

• Amy Wells of UCLA, and graduate students Cynthia Grutzik, Dolores Bernal, and Diane Hirshberg, conducted a study of California charter schools focusing on equity and access. Their preliminary overview of charter school resources and access was presented at the 1995 American Educational Research Association conference. Community resources were assessed through census tract data on income, race/ethnicity, and education in three school districts with the most chartering activity. Access was examined in a review of charter proposal language describing admissions criteria, parent involvement requirements, racial balance efforts, transportation, and services for special-needs students. Acknowledging that census tracts do not represent the schools' service areas, the authors suggested that charters were initiated and implemented in primarily white communities with higher-than-county-average income and education levels. After reviewing 20 proposals, they also suggested that parent involvement requirements may limit access to certain families. More in-depth study is planned.

• The Institute for Policy Analysis and Research (IPAR) in Berkeley has studied the California Charter Law and provided technical assistance to charter schools with funding from the state's business roundtable. In 1995, IPAR released a policy research report titled *Making Charters Work*, which drew from a phone survey of California charter schools, legislative analysis, and ongoing contact with a majority of the state's charter schools. Currently, IPAR's Eric Premack is working on descriptive summaries of all California charter schools. These summaries will include enrollment figures and race/ethnic makeup of schools. Each charter school description will also provide an overview of the school and its distinguishing features, obstacles encountered, founders' concerns, and assessment data (where available). Comparisons will be made to district and state enrollment characteristics. This report is scheduled to be completed in March 1996.

Notable Colorado Research Project

• In March 1995, Joy Fitzgerald of the Colorado Children's Campaign released a report that covered implementation issues, provided descriptive information about the charters that were granted, reported anecdotal evidence of secondary effects, and suggested changes to the law. Some key findings follow:

- The appeals process was widely used, giving charter applicants recourse when a district denied an application. At the time of the report, 23 appeals had been heard, of which five were remanded to the district and three were subsequently approved. A proposal for the Thurgood Marshall Middle School, however, was denied twice by the Denver Public School District. After the second denial the State Board ordered the district to approve, but the case has not yet been resolved. A thorough discussion of the Thurgood Marshall School's ongoing efforts can be found in *Education Week* (Hill, D. October 4, 1995).

- In addition to the above-mentioned charter school denial, which led to a lawsuit, Fitzgerald's report described another lawsuit. This suit was filed in federal district court by parents in Pueblo who contended that two existing public schools had been closed in favor of opening a new charter school. The parents charged that charter schools were unconstitutional because they created large disparities in spending, took away funds from public schools, and would most adversely affect Hispanic students who remained in the public schools. The federal district court dismissed the suit after finding the school closures and charter school approval to be independent actions.

- On the positive side, Fitzgerald's report identified areas where the charter school goal of innovation was being realized. Innovations were found not only in instruction but also in parent involvement, budgeting, accountability, governance, and (with the help of the waiver process) management.

- Charter schools applied for numerous waivers. (Instead of a "superwaiver" from most education codes, Colorado charter schools must apply for individual waivers.) The most common waiver requests involved:

  (1) Teacher evaluations: Under state code, evaluations must be conducted by a licensed administrator. Charter schools sought waivers from this regulation because they did not always have licensed administrators on staff. Instead, they involved parents, staff, and governing board members in the evaluation process.

  (2) Administrative license requirements: Waivers were sought when charter schools chose alternative management structures without a traditional principal.

(3) The Teacher Employment, Compensation, and Dismissal Act: When waived, charter school teachers signed annual contracts, in which salary and benefit packages were negotiated with the charter school's governing board.

(4) Teacher license requirements: Waivers were sought to allow charter schools to hire teachers with other types of work experience.

National Level Research

• The U.S. General Accounting Office (GAO) organized the first nationwide effort to compile a variety of charter school experiences. The results were reported in January 1995 and focused on four areas: 1) number of charter schools approved and programming they offered, 2) autonomy of charter schools and influences on autonomy, 3) accountability systems in place for charter schools, and 4) administration of federal programs in charter schools.

GAO staff reviewed proposals and charters to learn about their instructional programs, administrative and financial relationships with districts, and accountability systems. Legislative analyses examined the differences between state laws. Interviews were conducted to learn about individual schools, relationships between schools and districts, and the experiences of schools, districts, and states in disbursing federal program funds.

- The GAO found great diversity in the methods used to assess students and the specificity of outcomes described in charters. The report questioned whether adequate baseline data were being collected to evaluate changes in student performance, and whether data would be reported in such a way that the progress of different demographic groups could be tracked. It also questioned requirements that charter schools use standardized norm-referenced tests, especially those schools that targeted low-achieving students.

- The GAO suggested that new means of administering federal programs were needed because many charter schools were not tied to a school district, the usual local anchor for federal program administration. Although some states treated charter schools as local education authorities, state administration for Title I still holds districts liable. As of the GAO report, many states had still not resolved this missing linkage in administering federal programs.

• In July 1995, Alex Medler of the Education Commission of the States (ECS) and Joe Nathan of the Center for School Change surveyed 110 charter schools and described them in terms of: grade levels served, school size, and facility type; subject focus or target student population; intra- and interdistrict enrollment; start-up funding and sources; reasons for seeking charter status; business and community partnerships; contracts for services and teacher qualifications; assessment tools used; and technical assistance needed.

• ECS is continuing to explore charter schools with a Danforth Foundation grant. Louann Bierlein of the Louisiana Educational Policy Research Center at Louisiana State University recently examined ethnic/racial composition and other demographic information on children in charter schools. Impacts that charter schools are having on the educational system are also documented. ECS published her findings in February 1996.

• Chester Finn and Bruno Manno of the Educational Excellence Network at Hudson Institute together with Bierlein are conducting a two-year study of approximately 35 charter schools in Arizona, California, Colorado, Massachusetts, Michigan, and Minnesota. The goals of this project, funded by the Pew Charitable Trusts, are to identify policy and practical issues in implementation and to inform policy makers and practitioners of solutions and strategies. Their first year report was released in January 1996.

• Mark Buechler of the Indiana Education Policy Center at Indiana University released a January 1996 report, *Charter Schools: Legislation and Results after Four Years*. This report discusses trends in legislation and contains a chapter devoted to charter schools in operation. It also describes schools in terms of size, student population, and educational approaches, and it presents data on parent involvement, student achievement, barriers encountered, and early evidence of the effects of charter schools on other schools. The report's primary focus is national, but one chapter is devoted to a history of charter school bills in Indiana.

• Marc Dean Millot of Rand Corporation has conducted four different studies analyzing charter school laws. His most recent effort is titled, *Creating a Market for Public Schools: Lessons Learned from Early Implementation of the Massachusetts Charter School Statute*. It will be released sometime in Spring 1996.

• The federal Charter Schools Program was created through Title X of the Improving America's Schools Act (IASA), which reauthorized the Elementary and Secondary Education Act. Title X funding is designated for implementation and initial development of charter schools. Although $15 million was authorized for the program, Congress allocated only $5.4 million in 1995. Ninety percent of these funds were designated for a state grant program to help charter schools defray start-up costs. The other ten percent were designated for a national evaluation and other national activities.

In the first year, the national activity money ($536,000) was earmarked for the four-year charter school evaluation

study awarded to RPP, International, a Berkeley, California based policy research center. RPP heads the study's research consortium which consists of the University of Minnesota's Center for Applied Research and Educational Improvement and the Institute for Responsive Education, a Boston based non-profit research group.

The RPP study will involve 50 charter schools, of which 30 will be selected in the first year, and 20 will be added the second. Researchers will conduct an annual telephone survey of all charter schools, achievement testing at a matched sample of charter schools and regular public schools, case studies, and an intensive study of a few charter schools in order to explore policy issues affecting them. The first-year report will be available in November 1996.

• In addition to the efforts described above, professors and graduate students across the country are also beginning to study many aspects of charter schools. Projects should begin to surface in greater numbers now that many more laws are operational. An increasing number of policy papers and discussions of charter schools are also appearing in academic journals (*e.g.*, Raywid, 1995; Wohlstetter & Anderson, 1994; Wohlstetter, Wenning, & Briggs, 1995).

The Future of Charter Schools

Political tides, no doubt, will bring much to bear on the future of the charter school movement. Of the 20 states that considered, but did not pass, charter school legislation in 1995, most will probably resurface with bills in 1996. However, the political shift toward conservatism in statehouses across the country, may enable legislators to pass various alternative measures in lieu of charter laws, such as voucher bills or more comprehensive decentralization and deregulation bills. An example of the latter is the "home-rule" district-level reform recently passed in Texas (Lindsay, November 29, 1995).

Clearly, the next five years will prove pivotal in determining the future of charter schools. Will enthusiasm fizzle in favor of other reforms, or will charter school momentum continue to build? Hopefully, new policy decisions affecting the status of charter schools will be informed by a growing body of research.

Note: The research projects featured represent many, but not all, of the major charter school-related research conducted or currently in progress. Please note also that only research highlights are presented, not complete findings. Readers are encouraged to obtain the full reports cited to gain a more thorough understanding of the research literature.

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Key Components of "Expansive" Charter School Laws

State (year passed / implemented)	Arizona (1994/94)	California (1992/92)	Colorado (1993/93)	Delaware (1995/95)	Massachusetts (1993/95)
# Permitted by Law	District C.S. - no limit State C.S. - 25 /yr. each	100 (state board has waived cap; 4 new charters granted in February 1996)	50 until 1997 when cap is removed	≤ 5 -1996/97; ≤ 5 - 1997/98; ≤ 5 - 1998 /99, then no limit	25 (# of students must be ≤ .75 of 1% of public school students)
Sponsors	Any local board, State board of ed., State board for C.S.	The local board	The local board	Conversions - any local board; New - any local board or state board	State secretary of education
Organizers/ Founders	Any public body, private person, or private organization	Any individual can circulate a petition to start school	Any individual or group	Any person, college or university, non-religious, non-home based entity	≥ 2 certified teachers, or ≥10 parents, or any other individuals or groups
Appeals Process	No	County board of education	State board of education	No	No
Schools Eligible	New, existing, private	New, all or part of existing (w/support of 50% teachers at a school or 10% in district)	New , all or part of existing	New, all or part of existing (w/support of 50% of teachers & parents w/in attendance zone)	Not specified in law
# Approved by 3/1/96	State C.S. - 46; District C.S.-6	100 (+ 4 over cap)	28	District C.S. - 1; State C.S. - 0	20
# Operating by 3/1/96	State C.S. - 42; District C.S. -4	between 75 - 85	24	0	15
Automatic Exemption from Most State Education Code	Yes, except health, safety, civil rights, audits, required AZ student assessments, special education, insurance	Yes, except health, safety, civil rights, CA student assessments	No, must apply for individual waivers	Yes, except health, safety, non-discrimination, DE student assessments	No, most code applies, other than teacher certification; May seek waivers
Free of District Rules & Regulations	State C.S. - yes District C.S. - negotiated in charter	Negotiated in charter	Negotiated in charter	Yes	Yes
Legally Autonomous	State C.S. - yes District C.S. - negotiated in charter	Negotiated in charter	No	Yes, organized as DE general corporation	Yes, organized as non-profit corporation initially, then converted to public school; non-profit remains to receive donations
Receive 100% of Formula Funding for Operations	state C.S. - yes; District C.S. - receive ≥ district average per pupil	Yes, except for certain state categorical programs	No, ≥ 80% - higher if negotiated so in charter	Yes	Yes
Extra Local Funding for Operations	State C.S. - no District C.S. - yes	No	No	Yes	No
Extra Local Funding for Large Capital	State C.S. - no District C.S. - no	No	No	No	No
Start-up or Capital Expense Funds[1]	Law created $1 million stimulus fund; Received $750K from U.S. Ed. Dept. in 1995	CA received $727K from U.S. Ed. Dept. in 1995	CO received $728K from U.S. Ed. Dept. in 1995	No	Used Goals 2000 funds; MA received $829K from U.S. Ed. Dept. in 1995
Transportation	Transportation support level included in base support	C.S. may provide & get state funding, or district may continue to provide	If provided, district may provide & pay with C.S. admin. $, or C.S. may transport & pay with per pupil funding	C.S. or resident district may provide, state pays ave. cost per pupil	District of location may provide (& get state $ for) or C.S. can provide & get the district ave. cost
Teacher Certification Required / Collective Bargaining	No, but must specify employee qualifications / May bargain w/district (if district C.S.), as a separate unit or not at all	No, but must specify employee qualifications / May bargain w/district, as a separate unit, or not at all	Yes, unless waiver obtained / May bargain w/district, as a separate unit or not at all (with a waiver)	Yes, but may hire ≤ 35% non-cert. until DE starts alternative cert. / May bargain as separate unit or not at all	No, but must specify employee qualifications / May bargain as separate unit or not at all

C.S. = Charter School

[1] Indicates $ provided in law or $ received from U.S. Education Department in the State Public Charter School Program funding for 1995.

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Key Components of "Expansive" Charter School Laws

State (year enacted / implemented)	Michigan (1993/93)	Minnesota (1991/92)	New Hampshire (1995/96[2])	New Jersey (1996/96)	Texas (1995/95)
# Permitted by Law	Local k-12/intermed. district, Com. Col. - no limit; Universities - 85 - '96, 100 - '97, 125 - '98, & 150 - '99	40	New ≤ 5 by 1997, then ≤ 10 per year; Conversions - 1 per year per district	135 in first 4 yrs. Each new C.S. can't exceed 500 students or 25% of district enrollment	Open enrollment charter school[3] ≤ 20
Sponsors	Local or intermediate district, public state universities, or community colleges	Any local board, state board of ed. (for appeals), public post-secondary schools (all charters must also be approved by State board)	The local board (with state board approval)	Commissioner of ed. (Local board reviews application & sends to commissioner with or w/o their recommendation)	State Board
Organizers / Founders	Any individual or entity	Licenced teachers	≥ 2 certified teachers, ≥ 10 parents, non-profits including colleges & universities	Teachers &/or parents, higher ed. schools, private entity w/parents & teachers	Public or private higher ed. schools, non-profits, governmental entities
Appeals Process	No	State board of education	State board of education	State board of education	No
Schools Eligible	New, existing, private (if reconstituted as public entities)	New, all or part of existing school (w/support of 90% teachers at the school)	New, existing (w/support of >50% of teachers, superintendent, & principal)	New, existing (w/support of 51% of teachers and parents)	New
# Approved by 3/1/96	66	20	0	0	0
# Operating by 3/1/96	43	17	0	0	0
Automatic Exemption from Most State Education Code	No, responsible for most code applicable to districts, with some exceptions	Yes, except health, safety, civil rights, audits, special education	Yes, except health, safety, civil rights, special education, NH student assessments, min. # of school days	No, may seek waivers unrelated to testing, assessment, civil rights, health & safety	Yes, except health, safety, special /bilingual ed., school accountability, graduation reqs., & few other exceptions.
Free of District Rules & Regulations	Yes	Yes	Yes	Yes	Yes
Legally Autonomous	Yes, organized as non-profits	Yes, organized as non-profit or cooperative	Yes, organized as corporation	Yes, organized as non-profit	Yes, are a part of Public School System of TX
Receive 100% of Formula Funding for Operations	Yes, receive state ed. aid per child not to exceed amount in district of C.S. location	Yes	No, receive ≥ 80% of previous year's average cost per pupil from students' resident districts	No, receive ≥ 90% of average cost per pupil from students' resident districts	Yes
Extra Local Funding for Operations	No	No (except for special education)	Yes	No	Yes
Extra Local Funding for Large Capital	No	No	No	No	No
Start-up or Capital Expense Funds[1]	Used Goals 2000 funds; MI received $361K from U.S. Ed. Dept. in 1995	MN received $500K from US. Ed. Dept. in 1995	No	No	TX received $250K from U.S. Ed. Dept. in 1995
Transportation	Covered in per pupil funding	C.S. receives state transport. funding if transport students. Resident district otherwise provides to district border of C.S. location.	District of C.S. location transports & pays for resident students, C.S. pays + costs. Non-resident transport. paid by sending districts & C.S.	Covered in per pupil funding	When provided, state pays
Teacher certification Required / Collective Bargaining	Required except university or college C.S. can use higher ed. faculty / District C.S. - local contracts apply; all others can bar gain as single unit or not	Yes / Must bargain as a separate unit or not at all	50% must be certified or have at least 3 years of teaching experience / May bargain as a separate unit or not at all	Yes, but alternate cert. OK. / New C.S. may apply district agreement, bargain as single unit or not at all; Conversions must use district contracts	No / No

C.S. = Charter School

[1] Indicates $ provided in law or $ received from U.S. Education Department in the State Public Charter School Program funding for 1995.

[2] New Hampshire's law is activated at the district level when district voters adopt the use of the charter school law for use within the district.

[3] Subchapter D of the TX law allows "Open-enrollment Charter Schools," which is the more expansive portion of the law. Subchapter C allows "Campus or Campus Program Charter Schools" which are district sponsored and permit freedom from district academic and instructional regulations as agreed to in the charter. This more restrictive provision is not described here.